

DEPARTMENT OF CORRECTIONS and COMMUNITY SUPERVISION DIVISION OF INDUSTRIES CORCRAFT PRODUCTS DIVISION DIRECTIVE	NUMBER IND 12002	DISTRIBUTION List 4	DATE 9/27/13
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PROCEDURE

To provide the guidelines under which inmate workers will be paid while employed by Correctional Industries.

I. RATES OF PAY

A. All inmates assigned to Correctional Industries will be paid in accordance with the following schedule of hourly rates:

<u>GRADE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>LONGEVITY STEP 3 (2+ yrs.)</u>
Grade I	\$.16	\$.22	\$.25
Grade II	\$.26	\$.29	\$.32
Grade III	\$.32	\$.35	\$.38
Grade IV	\$.38	\$.42	\$.45
Grade V	\$.65	---	----

It is the policy of correctional Industries to pay inmate workers at a rate commensurate with their education level and the skill and complexity of the duties they perform. All inmate jobs in Correctional Industries should be classified and inmates assigned to a specific job should be paid at the grade level allocation for that position. Inmate workers occasionally may be required to work in a job allocated to a higher grade on a temporary basis at their lower assigned pay rate due to training, emergency or production requirements. To promote upward mobility within the industry workforce and to encourage a greater skill and commitment equating to greater compensation there will be a maximum limit of 50% of the industry workforce at grade IV (all steps). Workers that have a minimum of 4 years working in Industry and cannot be promoted to a Grade IV level due to unavailability of an item, may be awarded this grade at the discretion of the Industrial Superintendent or designee. The availability of higher grade positions does not mandate that these positions are filled. Workers must be deserving and have the approval of their immediate supervisor as well as the **Industrial Superintendent** or designee. There will be no restrictions on the number of inmate workers occupying grades I, II and III's (all steps.)

B. Night Shift Differential will be paid to all inmates working at least four work hours between 12 midnight and 6 AM. The normal Correctional Industries hourly rate will be increased \$.05 per hour. Inmates employed on the night shift are eligible for the incentive bonus plan in addition to their hourly rate.

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C. Minimum Education Requirements:

Grade I, II & III - Enrolled in a GED program and actively seeking a GED diploma.
 Grade IV & V - A verified GED diploma.

II. RECORDING HOURS WORKED

All workers will be required to punch a time clock each time upon entering or leaving the program area. When time clocks are not operative or do not exist, an accurate record of actual time worked must be maintained by facility staff for each worker.

III. WORK HOURS

Each facility will make every effort to achieve a full 7 hour work day. Workers will not be mandated to work in excess of eight hours each day on Monday through Saturday or on public holidays, nor will a worker be mandated to work more than 5 days in a 7 day period. Workers will not be paid for more than 16 hours per day, 7 days per week.

All hours worked, including holidays and weekends, are to be paid at the straight time rate.

IV. ADVANCEMENT FOR GRADES I-IV

Workers shall be reviewed every 56 days by their immediate supervisor, or as indicated by a double asterisk (**) or the facility payroll.

A. Advancement Within Grades

Upon favorable review, workers may be advanced within grade by the Industrial Training Supervisor who completes signs and submits Payrate Change Notice (#2766) with the appropriate payroll to the Industrial Superintendent for final approval. Advancement within grade is not automatic. It is dependent on favorable review on an inmate worker's performance. An asterisk (*) appearing next to a workers name on the wage timesheet will indicate that the worker is eligible for evaluation and possible advancement.

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B. Longevity Step 3

Upon favorable review, workers with a minimum of two (2) years in the Industries Program at their current facility may be paid Longevity Step 3.

Advancement to this step must be recommended by the **Industrial Training Supervisor** who completes, signs and submits Payrate Change Notice (#2766) with the appropriate payroll to the **Industrial Superintendent** for final approval. Advancement to the Longevity Step 3 is not automatic. It is dependent on favorable review of a worker's performance.

C. Promotion from One Grade to Another

Workers may be promoted from one grade to another by submission of a Progress and Evaluation Report by the **Industrial Training Supervisor** to the **Industrial Superintendent** for final review. Promotion is not automatic. It is dependent on favorable review of a worker's performance, a suitable job opening being available, and the worker's ability to perform the duties of the position, and having the required educational level for that step.

V. GRADE V

- A. Grade V inmate employees supervise from 5-20 other workers in a production, quality control or business office function within the Industrial operation.
- B. A maximum of 3% of the total industry workforce at each facility can be promoted to Grade V.
- C. Minimum qualifications for appointment to Grade V:
 - 1. The appointee must have a satisfactory disciplinary record. There can be no industrial or facility disciplinary violation for the previous 18 months.
 - 2. The appointee must have completed a minimum of one (1) year service in the Industries Program at Grade IV, Step 2, in the same shop or work area where he will be promoted to Grade V (and should be able to train other workers on any function in the particular shop).

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- 3. The appointee must possess leadership ability and possess the necessary skills to be able to supervise 5-20 other workers, under direct supervision of the Industrial Training Supervisor,
- 4. The appointee must possess a GED or higher education diploma.
- D. Requests to appoint workers to Grade V must be submitted in writing by the Industrial Superintendent to the **Assistant Director of Operations**. This request must include a complete justification for the appointment.
- E. Workers may not be appointed to Grade V until written approval from the **Assistant Director of Operations** is received.

VI. DEMOTION

Inmates whose work performance falls below acceptable standards may be reduced in pay rate or grade level by following the same procedures used for advancement, except that demotions can be made at any time such action is warranted. Likewise workers whose work performance is below acceptable standards may have his/her bonus pay reduced for that particular pay cycle, at the discretion of the **Industrial Superintendent** or designee.

VII. WORKERS TRANSFERRED

A. From One Facility to Another.

Workers transferred from one facility to another for any reason will be placed in an assignment position at a grade level determined appropriate by the **Industrial Superintendent** of the receiving facility.

B. Within a Facility.

Workers will be referred to Industries by the Program Committee. Job assignments will be determined by the **Industrial Superintendent** or designee.

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VIII. ABSENCES

A. Workers Absence Due to Illness.

Any worker placed in the hospital through no fault of his/her will continue to receive his/her current base rate for the remainder of the pay cycle after which he/she is categorized as "unemployed". Workers medically excused in their cells will be counted as "unemployed" and paid at the unemployed rate from the first day of absence. The worker must present a medical no work slip to be medically excused.

B. Holidays.

1. Legal Holidays

Workers will be paid their base rate of pay for all legal holidays without bonus. (If workers are required to work in a production capacity on a holiday, they are eligible for participation in bonus plan.)

2. Institution Holidays

Workers who do not work on "institution holidays" may be paid up to half of the daily flat rate, without bonus, at the discretion of the **Industrial Superintendent**.

Workers who do work on "institution holidays" will be paid for hours worked and any bonus achieved for the hours worked.

C. Shutdowns

During shutdowns for security reasons, including frisks, workers will not be paid. For all other shutdowns Inmate Workers will be paid one half their base pay for each day or portion thereof that operations are shut down at the discretion of the **Industrial Superintendent** or designee.

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D. Keep Lock

Workers will not be paid for absences while being "keep locked" as a direct result of disciplinary or punitive actions. If "keep lock" charges are dismissed, inmates will be reimbursed for work time lost in "keep lock" at the unemployed rate (see below). If a worker was suspended or confined to his/her cell or to Special Housing (SHU) pursuant to a disciplinary hearing and subsequently found not guilty, or if the disciplinary hearing is subsequently reversed for procedural error, the worker will be reimbursed at the rate of Grade 1 Step 1 for a maximum of six hours per day, for only full work days missed.

Workers will not be paid for any additional work tasks imposed as a result of a Tier 1 Violation hearing in accordance with Part 252 of Chapter V of Title 7.

E. Call Outs

Workers will not be paid for absences resulting from call outs except for the ILC Chairpersons who will be allowed up to four hours per week for time actually spent on liaison committee business.

The following call outs will be allowed from an Industrial work assignment (non-paid):

- medical or dental appointments
- parole board appearances
- legal visits
- family visits
- religious services
- administrative (hearings, security interviews, etc.)
- pre-release
- others may be allowed at the discretion of the IS.

IX. EXCUSED TIME

Excused time will not be allowed. Except as specifically stated in Section VIII, E., workers will not be paid for absences from their work assignments.

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X. INCENTIVE BONUS PLAN

A. Purpose

To provide additional compensation for inmate workers whose performance exceeds average standards. Simply stated, inmate workers can increase their earnings by increasing their output. A bonus for work completed, if applied to a given shop, should be achievable if the amount of available work supports it. A bonus of 100% should be achieved with continuous effort for full days of work in a given pay cycle.

B. The feasibility of developing and implementing a bonus plan is the responsibility of the **Industrial Superintendent** or designee with the explicit approval of the **Director of Correctional Industries**.

C. Details of Plan

1. The average production standard is based on finished products produced per inmate work hour. With this in mind the **Industrial Superintendent** with approval from the **Director of Correctional Industries** will adapt one of the three (2) listed options to implement at the respective facility.

Option (a). Points. All finished products produced will be assigned a point value at the time of Item Master Creation. The point value, once established, will not be adjusted due to the selling price of the item. Any adjustment in the point value of an item can only be justified by a change in the labor value to produce the item. Simply stated if it takes longer to make a product it will have a higher point value, likewise if it takes less time to manufacture an item the point value may be less. This option must be approved by the **Director of Correctional Industries**.

Example: 250 bedside lockers x 4.4 points each = 1100 points

Divide the total point value earned by the number of inmate hours actually worked in the week (*productive hours*), to determine the weekly multiplier (percentage).

Example: 1100 points
900 Inmate work hours = 122% weekly multiplier

This means that each inmate working in the particular shop will receive a 22% bonus over and above his/her base rate for the actual hours worked.

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The weekly multiplier is limited to 200% (maximum 100% bonus).

If the weekly multiplier is 100% or less, the inmate workers will be paid at their base rate of Pay (no bonus). If a shop produces a variety of products, a combination of the points for each item will be used to calculate the weekly multiplier. In any given shop there must be a consistent correlation between labor hours and point value for all items produced by the shop, i.e. a consistent ratio of hours to points (*items that take the same amount of time should have the same point value*). The inmate's base rate of pay times the actual number of productive hours worked times the weekly multiplier will total the inmates earnings for the week.

Example (from above): 1100 points
 900 Inmate work hours = 122% weekly multiplier

Inmate worker making \$0.32/hour, with 35 hours on time card:

Example: 35 hours worked at \$0.32/hr with 122% multiplier
 $35 \times .32 \times 122(\%) = \13.66 net pay

Option (b). Financial Goal Achievement.

This option may be used when there are many unique products produced by a particular shop, such as custom work. Simply stated this method can be used to calculate inmate worker bonus based on exceeding the stated yearly financial objective of the shop. The achievement of 75% of the financial goal for the year (prorated weekly) will be the base line for earning of bonus pay. 100% bonus will be achieved for any week that the sales earnings for that particular week are 25% more than the weekly amount needed to achieve the financial goal. This option must be approved by the **Director of Correctional Industries**.

This plan is represented by the following linear diagram;

Production Achieved:	75%	80	85	90	95	100	105	110	115	120	125%
Bonus Paid:	0%	10	20	30	40	50	60	70	80	90	100%

For example: Shop fiscal goal is set at \$4,000,000.00 for the year. If the shop generated Production at a value of \$76,923.00 for a particular week they would earn 50% for that particular week. If the same shop generated production at a value of \$96,153.00 they would earn 100% bonus for that particular week. To consistently earn 100% bonus the shop will need to exceed the

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annual production amount by 25%, or in this scenario a total annual production of \$5M. Likewise, if the shop was to generate a production value of \$61,538.00 (80% of stated goal) for a particular week the weekly bonus would be 10%.

General.

1. Inmate hours worked will be determined each week by the actual hours worked in the shop as indicated by punches on the inmate's time card.
2. Inmates will not be paid for time out of the shops to attend meals in the mess hall.
3. There will be no provisions in the Incentive Bonus Plan for excused time. Only the actual number of inmate hours worked will be used to calculate the weekly multiplier.
4. At the discretion of the **Industrial Superintendent** the weekly multiplier may be calculated on a shop by shop basis or for the entire factory as a whole unit.
5. If there is a shortage of work because of lack of orders, material, or resources, the actual bonus paid will be limited to that amount actually earned. Bonus pay will **NOT** be authorized for worker availability. Additionally, any inmate worker who is not doing his/her fair share of work may have his/her bonus decreased commensurate with his/her performance, based on the recommendation of the shop supervisor (or other supervisory staff), in writing, and approved by the **Industrial Superintendent** or designee.
6. All **finished products** or work in process (wip) components rejected because of faulty workmanship or poor quality may lead to a reduction in points up to two times (2X) the point value, or market value (option b), (of the finished products) being levied on the particular shop and this amount being deducted from the weekly total of points/value (in the calculation of the multiplier for that particular week), regardless of when the items were produced.
7. Inmates working in assignments (**support staff**) not directly related to a production shop, or working in a production shop manufacturing components for a finished product (but not the actual finished products), (e.g. business office, maintenance, mechanic work, shipping clerks, quality control or production control and porters) will be paid an incentive equal to the average of all production shop incentives combined (or the same as the entire factory if the one unit approach is used), or they may be paid according to the bonus of their assigned shop, at the discretion of the **Industrial Superintendent** and endorsed by the **Director of Correctional Industries**. The weekly hours worked of 'support staff' such as above may not be

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included in the total hours worked for the shop in the bonus calculation, at the discretion of the **Industrial Superintendent** or designee.

8. The incentive bonus plan does not apply to inmates on outside assignments who are being paid at the rate of up to \$1.00/hr (see 1.B).
9. Points and bonuses will not be 'banked' and carried from week to week.
10. Any issue not addressed by this directive will be at the discretion of the **Industrial Superintendent** or designee and if required, with the approval of the **Director of Correctional Industries**.
11. The bonus plan for the Asbestos workers will continue according to the details described in the memorandum dated 3/26/2006 and signed by the **Director of Correctional Industries**. Oversight and records for the weekly bonus calculation for Asbestos will be maintained by the **Industrial Superintendent** or designee.
12. Where practicable the inmate workers will be provided with a weekly pay stub which will document a summary of the workers earnings for the week.